



[3510-16-P]

DEPARTMENT OF COMMERCE

Patent and Trademark Office

37 CFR Part 42

[Docket No. PTO-P-2013-0003]

RIN 0651-AC83

Changes to Implement the Technical Corrections to the Leahy-Smith America

Invents Act as to Inter Partes Review

AGENCY: United States Patent and Trademark Office, Commerce.

ACTION: Final rule.

SUMMARY: The United States Patent and Trademark Office (Office or USPTO) is revising the rules of practice to implement the changes with respect to inter partes review that are set forth in section 1(d) of the Act to correct and improve certain provisions of the Leahy-Smith America Invents Act and title 35, United States Code (“AIA Technical Corrections Act”). Consistent with the statutory changes, this final rule eliminates the nine-month “dead zone” for filing an inter partes review petition challenging a first-to-

invent patent or reissue patent. Under the final rule, a petitioner may file an inter partes review petition challenging a first-to-invent patent or reissue patent upon issuance, including during the first nine months after issuance.

DATES: Effective Date: [Insert the date of publication in the FEDERAL REGISTER].

FOR FURTHER INFORMATION CONTACT: Michael P. Tierney, Sally G. Lane, Sally C. Medley, or Joni Y. Chang, Administrative Patent Judges, Patent Trial and Appeal Board, by telephone at (571) 272-9797.

SUPPLEMENTARY INFORMATION:

Executive Summary: Purpose: The purpose of the AIA Technical Corrections Act is to correct and improve certain provisions of the Leahy-Smith America Invents Act (“AIA”). With respect to inter partes review, section 1(d) of the AIA Technical Corrections Act and this final rule eliminate the nine-month “dead zone” for filing a petition challenging a first-to-invent patent or reissue patent. Under this final rule, first-to-invent patents and reissue patents are eligible for inter partes review upon issuance. In other words, a petitioner may file an inter partes review petition challenging a first-to-invent patent or reissue patent upon issuance, including during the first nine months after issuance. That will improve patent quality and limit unnecessary and counterproductive litigation. The preamble of this rule sets forth in detail statutory and regulatory changes as to inter partes review proceedings conducted by the Patent Trial and Appeal Board (Board).

Summary of Major Provisions: Consistent with section 1(d) of the AIA Technical Corrections Act, this final rule permits a petitioner to file an inter partes review petition challenging a first-to-invent patent or reissue patent, upon issuance, eliminating the nine-month “dead zone” as to first-to-invent patents and reissue patents.

Costs and Benefits: This rulemaking is not economically significant under Executive Order 12866 (Sept. 30, 1993), as amended by Executive Order 13258 (Feb. 26, 2002) and Executive Order 13422 (Jan. 18, 2007).

Background: On September 16, 2011, the AIA was enacted into law (Pub. L. 112-29, 125 Stat. 284 (2011)). The AIA created four new Board proceedings: inter partes review, post-grant review, covered business method patent review, and derivation proceedings. See sections 3, 6 and 18 of the AIA. To implement the AIA provisions, the Office promulgated final rules to set forth the standards and procedures for conducting the new Board proceedings. See Rules of Practice for Trials before the Patent Trial and Appeal Board and Judicial Review of Patent Trial and Appeal Board Decisions, 77 FR 48612 (Aug. 14, 2012) (final rule); Changes to Implement Inter Partes Review Proceedings, Post-Grant Review Proceedings, and Transitional Program for Covered Business Method Patents, 77 FR 48680 (Aug. 14, 2012) (final rule); Transitional Program for Covered Business Method Patents—Definition of Technological Invention, 77 FR 48734 (Aug. 14, 2012) (final rule); and Changes to Implement Derivation Proceedings, 77 FR 56068 (Sept. 11, 2012) (final rule).

Under the AIA, as originally enacted, a petition for inter partes review could only be filed after the later of either: (1) the date that is nine months after the issuance of an original patent or reissued patent; or (2) if a post-grant review is instituted, the date of the termination of such post-grant review. Notably, inter partes reviews were available only for patents that had been issued for at least nine months. Additionally, post-grant reviews were not available for first-to-invent patents and reissued patents where the original patent was no longer eligible for post-grant review (35 U.S.C. 325(f)). See sections 6(d) and (f)(2) of the AIA. That created two nine-month “dead zones,” namely first-to-invent patents and reissued patents could not be challenged in an inter partes proceeding before the Office during the first nine months after issuance.

The AIA Technical Corrections Act was enacted on January 14, 2013. See Pub. L. 112-274 (2013). Section 1(d) of the AIA Technical Corrections Act amended 35 U.S.C. 311(c) to eliminate the “dead zones” by allowing first-to-invent patents and reissued patents to be challenged in inter partes reviews during the first nine months after issuance. Pursuant to section 1(d) of the AIA Technical Corrections Act, the Office is revising the rules of practice to permit petitioners to file inter partes review petitions challenging first-to-invent patents and reissue patents upon issuance.

Discussion of Section 1(d) of the AIA Technical Corrections Act

Section 1(d) of the AIA Technical Corrections Act entitled “DEAD ZONES” provides that 35 U.S.C. 311(c) shall not apply to a petition to institute an inter partes review of a patent that is not a patent described in section 3(n)(1) of the Leahy-Smith America

Invents Act (35 U.S.C. 100 note). The statutory provision also amends 35 U.S.C. 311(c) by striking “or issuance of a reissue of a patent.” This final rule implements these statutory changes.

The changes for inter partes review took effect on January 14, 2013, the date of enactment of the AIA Technical Corrections Act, and apply to proceedings commenced on or after January 14, 2013. See section 1(n) of the AIA Technical Corrections Act.

Discussion of Specific Rules

Section 42.102: Consistent with section 1(d) of the AIA Technical Corrections Act, § 42.102(a) is amended in this final rule to add: (1) “the following dates, where applicable”; (2) “If the patent is a patent described in section 3(n)(1) of the Leahy-Smith America Invents Act”; and (3) “If the patent is a patent that is not described in section 3(n)(1) of the Leahy-Smith American Invents Act, the date of the grant of the patent.” Section 42.102(a) is also amended to delete “or of the issuance of the reissue patent.”

Under revised § 42.102(a), a petition for inter partes review of a patent must be filed after the later of the following dates, where applicable: (1) if the patent is a patent described in section 3(n)(1) of the Leahy-Smith America Invents Act, the date that is nine months after the date of the grant of the patent; (2) if the patent is a patent that is not described in section 3(n)(1) of the Leahy-Smith American Invents Act, the date of the grant of the patent; or (3) if a post-grant review is instituted as set forth in subpart C of this part, the date of the termination of such post-grant review.

Rulemaking Considerations

A. Administrative Procedure Act:

This final rule revises the rules of practice concerning the procedure for requesting an inter partes review. Consistent with section 1(d) of the AIA Technical Corrections Act, the changes set forth in this final rule eliminate the nine-month “dead zone” as to first-to-invent patents and reissue patents. Under the final rule, a petitioner may file an inter partes review petition challenging a first-to-invent patent or reissue patent upon issuance. Therefore, the changes adopted in this rule do not change the substantive criteria of patentability.

Moreover, good cause exists to make these procedural changes without prior notice and opportunity for comment and to be effective immediately so as to avoid inconsistencies between regulations and the AIA Technical Corrections Act. This nine-month “dead zone” has already been eliminated by operation of the enactment of the AIA Technical Corrections Act, effective January 14, 2013. Accordingly, prior notice and opportunity for public comment are not required pursuant to 5 U.S.C. 553(b) or (c) (or any other law) and thirty-day advance publication is not required pursuant to 5 U.S.C. 553(b) (or any other law). See also Cooper Techs. Co. v. Dudas, 536 F.3d 1330, 1336-37 (Fed. Cir. 2008).

B. Regulatory Flexibility Act: For the reasons set forth herein, the Deputy General Counsel for General Law of the United States Patent and Trademark Office has certified

to the Chief Counsel for Advocacy of the Small Business Administration that the changes set forth in this rule will not have a significant economic impact on a substantial number of small entities. See 5 U.S.C. 605(b).

Consistent with section 1(d) of the AIA Technical Corrections Act, the changes set forth in this final rule eliminate the nine-month “dead zone” as to first-to-invent patents and reissue patents. Under the final rule, a petitioner may file an inter partes review petition challenging a first-to-invent patent or reissue patent upon issuance. These changes mirror provisions in the AIA Technical Corrections Act and do not add any additional requirements (including information collection requirements) or fees for petitioners or patent owners.

For the foregoing reasons, none of the changes in this rule will have a significant economic impact on a substantial number of small entities.

C. Executive Order 12866 (Regulatory Planning and Review): This rulemaking has been determined to be not significant for purposes of Executive Order 12866 (Sept. 30, 1993), as amended by Executive Order 13258 (Feb. 26, 2002) and Executive Order 13422 (Jan. 18, 2007).

D. Executive Order 13563 (Improving Regulation and Regulatory Review): The Office has complied with Executive Order 13563. Specifically, the Office has, to the extent feasible and applicable: (1) made a reasoned determination that the benefits justify

the costs of the rule; (2) tailored the rule to impose the least burden on society consistent with obtaining the regulatory objectives; (3) selected a regulatory approach that maximizes net benefits; (4) specified performance objectives; (5) identified and assessed available alternatives; (6) involved the public in an open exchange of information and perspectives among experts in relevant disciplines, affected stakeholders in the private sector, and the public as a whole, and provided on-line access to the rulemaking docket; (7) attempted to promote coordination, simplification, and harmonization across government agencies and identified goals designed to promote innovation; (8) considered approaches that reduce burdens and maintain flexibility and freedom of choice for the public; and (9) ensured the objectivity of scientific and technological information and processes.

E. Executive Order 13132 (Federalism): This rulemaking does not contain policies with federalism implications sufficient to warrant preparation of a Federalism Assessment under Executive Order 13132 (Aug. 4, 1999).

F. Executive Order 13175 (Tribal Consultation): This rulemaking will not: (1) have substantial direct effects on one or more Indian tribes; (2) impose substantial direct compliance costs on Indian tribal governments; or (3) preempt tribal law. Therefore, a tribal summary impact statement is not required under Executive Order 13175 (Nov. 6, 2000).

G. Executive Order 13211 (Energy Effects): This rulemaking is not a significant energy action under Executive Order 13211 because this rulemaking is not likely to have a significant adverse effect on the supply, distribution, or use of energy. Therefore, a Statement of Energy Effects is not required under Executive Order 13211 (May 18, 2001).

H. Executive Order 12988 (Civil Justice Reform): This rulemaking meets applicable standards to minimize litigation, eliminate ambiguity, and reduce burden as set forth in sections 3(a) and 3(b)(2) of Executive Order 12988 (Feb. 5, 1996).

I. Executive Order 13045 (Protection of Children): This rulemaking does not concern an environmental risk to health or safety that may disproportionately affect children under Executive Order 13045 (Apr. 21, 1997).

J. Executive Order 12630 (Taking of Private Property): This rulemaking will not effect a taking of private property or otherwise have taking implications under Executive Order 12630 (Mar. 15, 1988).

K. Congressional Review Act: Under the Congressional Review Act provisions of the Small Business Regulatory Enforcement Fairness Act of 1996 (5 U.S.C. 801-808), prior to issuing any final rule, the United States Patent and Trademark Office will submit a report containing the final rule and other required information to the United States

Senate, the United States House of Representatives, and the Comptroller General of the Government Accountability Office.

The changes in this rule are not expected to result in an annual effect on the economy of 100 million dollars or more, a major increase in costs or prices, or significant adverse effects on competition, employment, investment, productivity, innovation, or the ability of United States-based enterprises to compete with foreign-based enterprises in domestic and export markets. Therefore, this rulemaking is not expected to result in a “major rule” as defined in 5 U.S.C. 804(2).

L. Unfunded Mandates Reform Act of 1995: The changes set forth in this rule do not involve a Federal intergovernmental mandate that will result in the expenditure by State, local, and tribal governments, in the aggregate, of 100 million dollars (as adjusted) or more in any one year, or a Federal private sector mandate that will result in the expenditure by the private sector of 100 million dollars (as adjusted) or more in any one year, and will not significantly or uniquely affect small governments. Therefore, no actions are necessary under the provisions of the Unfunded Mandates Reform Act of 1995. See 2 U.S.C. 1501-1571.

M. National Environmental Policy Act: This rulemaking will not have any effect on the quality of the environment and is thus categorically excluded from review under the National Environmental Policy Act of 1969. See 42 U.S.C. 4321-4370h.

N. National Technology Transfer and Advancement Act: The requirements of section 12(d) of the National Technology Transfer and Advancement Act of 1995 (15 U.S.C. 272 note) are not applicable because this rulemaking does not contain provisions which involve the use of technical standards.

O. Paperwork Reduction Act: The Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3549) requires that the USPTO consider the impact of paperwork and other information collection burdens imposed on the public. The rules of practice pertaining to inter partes review have been reviewed and approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3549) under OMB control number 0651-0069. Consistent with section 1(d) of the AIA Technical Corrections Act, the changes set forth in this final rule eliminate the nine-month “dead zone” as to first-to-invent patents and reissue patents. Under the final rule, a petitioner may file an inter partes review petition challenging a first-to-invent patent or reissue patent upon issuance. This final rule does not add any additional requirements (including information collection requirements) or fees for patent applicants or patentees. Moreover, this final rule eliminates the delay in filing inter partes review petitions, but would not impact the number of patents eligible for inter partes review. Therefore, the Office is not resubmitting information collection packages to OMB for its review and approval under the Paperwork Reduction Act of 1995 because the changes in this final rule do not affect the information collection requirements associated with the information collections previously approved under OMB control number 0651-0069 or any other information collections.

Notwithstanding any other provision of law, no person is required to respond to nor shall any person be subject to a penalty for failure to comply with a collection of information subject to the requirements of the Paperwork Reduction Act unless that collection of information displays a currently valid OMB control number.

List of Subjects in 37 CFR Part 42

Administrative practice and procedure, Inventions and patents, Lawyers.

Amendments to the Regulatory Text

For the reasons stated in the preamble, the Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office amends 37 CFR part 42 as follows:

PART 42—TRIAL PRACTICE BEFORE THE PATENT TRIAL AND APPEAL BOARD

1. The authority citation for 37 CFR part 42 is revised to read as follows:

Authority: 35 U.S.C. 2(b)(2), 6, 21, 23, 41, 135, 311, 312, 316, 321-326, and the Leahy-Smith America Invents Act, Pub. L. 112-29, sections 6(c), 6(f), and 18, 125 Stat. 284, 304, 311, and 329 (2011), as amended by Pub. L. 112-274 (2013).

2. Section 42.102 is amended by revising paragraph (a) to read as follows:

§ 42.102 Time for filing.

(a) A petition for inter partes review of a patent must be filed after the later of the following dates, where applicable:

(1) If the patent is a patent described in section 3(n)(1) of the Leahy-Smith America Invents Act, the date that is nine months after the date of the grant of the patent;

(2) If the patent is a patent that is not described in section 3(n)(1) of the Leahy-Smith American Invents Act, the date of the grant of the patent; or

(3) If a post-grant review is instituted as set forth in subpart C of this part, the date of the termination of such post-grant review.

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Date: March 20, 2013. _____

Teresa Stanek Rea
Acting Under Secretary of Commerce for Intellectual Property and
Acting Director of the United States Patent and Trademark Office

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